

# **Title I Supplement not Supplant Requirements and Determining Allowable Costs**

**Shelly Babler, Assistant Director  
Title I and School Support Team  
Federal Funding Conference 2018**

# Title I, Part A Fiscal Requirements

Three methods in ESSA to ensure Title I funds are used to support students at-risk of failing:

- Maintenance of Effort
- Comparability
- Supplement not Supplant



# Supplement not Supplant

Federal funds must be used to supplement, and in no case supplant state and local funds.



# Why the Change?

**"For too long, the students who need the most have gotten the least."**

U.S. Secretary of Education  
John B. King Jr.



# Three “Tests” for Supplanting

1. Is the activity or expense required by state or local law or other federal law?
2. Was this activity or expense paid for by local funds in the past?
3. Does the LEA use Title I funds to provide a service to non-Title I students and Title I funds for the same service to Title I students?



# Three “Tests” for Supplanting (cont.)

## Do NOT apply to:

- Title I, Part A  
(school expenses)
- Title I, Part C
- IDEA

## Apply to:

- Title I, Part A  
(LEA expenses)
- Title I, Part D
- Title II, Part A
- Title III, Part A
- Title IV, Part A



# **Title I, Part A Supplement not Supplant**

**LEAs are required to identify the methodology used to allocate state and local funds to Title I schools and demonstrate that these schools receive all of the state and local funds they would be entitled to, even if they were not Title I schools.**



# **Title I, Part A Supplement not Supplant (cont.)**

**The Secretary of the US Department of Education may not prescribe the specific methodology an LEA uses to allocate state and local funds to each Title I school.**

**The methodology is a local decision.**





# **Title I, Part A Supplement not Supplant (cont.)**

**No LEA shall be required to:**

- **Identify individual costs or services as supplemental.**
- **Provide services through a particular instructional method, or in a particular instructional setting, to demonstrate compliance.**



# So Many Questions



# Draft Regulations

- Three Methodology Options
- Special Rule: Any LEA may distribute state and local funds using a methodology that results in the LEA spending an amount of state and local funds per pupil in each Title I school that is equal to or greater than the average amount of state and local funds spent per pupil in non-Title I schools.

**WITHDRAWN**



# What now?

- Methodology must be in place by July 1, 2018.
- What does this methodology need to look like?
- How will allowable costs be determined?



# Methodology

LEAs must ensure that the Title I schools received all of the state and local funds and/or resources they would have received if they did not participate in Title I.

LEAs cannot take away state/local funds from Title I schools because they are Title I schools.



# Methodology (cont.)

LEAs are not required to use the same methodology for each school, but **must** demonstrate that the methodology does not deprive a Title I school of state/local funds because of its Title I status.



# Methodology (cont.)

**Distribution methodology could vary based on:**

- **Grade span (high school vs. elementary),**
- **School size,**
- **Student needs (ELL, newly arrived, special ed, etc.),**
- **School model (CTE, magnet, IB, etc.), and**
- **Other factors, providing those factors are not based on Title I status.**



# Methodology (cont.)

Methodology may exclude state and local funds that meet the intents and purposes of Title I, Part A.





# Optional Methodology Example

- Purpose of examples are to provide options to meet this requirement.
- The examples are extremely simplified.



**DISCLAIMER**



# Optional Methodology Example (cont.)

## Weighted Per Pupil Amount

Develop a per pupil formula where students with educational disadvantages generate more money for their schools.



# Optional Methodology Example (cont.)

## Weighted Per Pupil Amount

School Name	\$7,000 per Student		\$250 per Low Income (LI) Student		\$500 per English Learner (EL)		Total State and Local Funds
	Total Enrollment	Amount	# of LI Students	Amount	# of ELs	Amount	
Oak El	450	\$3,150,000	200	\$50,000	100	\$50,000	\$3,250,000
Pine El	375	\$2,625,000	125	\$31,250	76	\$38,000	\$2,694,250
Ash Mi	250	\$1,750,000	75	\$18,750	43	\$21,500	\$1,780,250
Maple Hi	465	\$3,255,000	210	\$52,500	125	\$62,500	\$3,370,000
District Costs (e.g., administration, human resources, transportation, etc.)							\$4,053,530
Total District Budget							\$15,148,030

Other “weighted factors” may include students with disabilities, number of preschool students, etc.

# Optional Methodology Example (cont.)

## Resource Formula

Use a resource formula to average the personnel and non-personnel costs, and ensure that every Title I school receives at least the average from the formula.



# Optional Methodology Example (cont.)

## Resource Formula

For all of its elementary schools, an LEA allocates:

School Name	Total Enrollment	Teachers (1:22) (\$65K/teacher)	Principal (1/school)	Librarian (1/school)	Guidance Counselor (1/school)	Non-Personnel (\$825/student)	Total State and Local Funds
Red EI	450	\$1,329,250	\$90,000	\$70,000	\$70,000	\$371,250	\$1,930,500
Blue EI	375	\$1,107,600	\$90,000	\$70,000	\$70,000	\$309,375	\$1,646,975
Green EI	250	\$738,400	\$90,000	\$70,000	\$70,000	\$206,250	\$1,194,650
Yellow EI	465	\$1,373,450	\$90,000	\$70,000	\$70,000	\$383,625	\$2,007,077

*Schools do not necessarily have to use state/local funds for the specific positions in the chart.*



# Methodology Tips

- Don't reinvent the wheel - Do you already have a methodology in place?
- Document your methodology and decisions made regarding your methodology.
- Keep records supporting the results.



# Determining Allowable Costs for Title I



# Title I Allowable Costs – School Level

1. Is the activity or expense required by state, local or other federal law?
2. Was this activity or expense paid for by local funds in the past?
3. Does the LEA use Title I funds to provide a service to non-Title I students and Title I funds for the same service to Title I students?





# Title I Allowable Costs – School Level (cont.)

1. Did the school receive its full share of local/state funds based on the LEA's methodology?
2. Is the proposed budget item addressing the needs of Title I students?
3. Does the cost adhere to the Uniform Grant Guidance, EDGAR, and the LEA policies?
  - [Allowability checklist](#)



# Title I Allowable Costs – District Level

## USDE Presentation March, 2017

1. The three tests apply.
2. Does the cost adhere to the Uniform Grant Guidance, EDGAR, and the LEA policies?
  - [Allowability checklist](#)



# Allowable Cost Scenarios

- Assume that the school received its full share of state/local funds based on the LEA's methodology.
- Assume that the costs adhere to the LEA policies.



# Allowable Cost Scenario 1

A school implementing a Title I schoolwide program paid for a reading software program last year using local funds. This year the school used Title I funds to pay for the reading software program.

- Is this supplanting? **No**
- Is this allowable? **Yes**



# Allowable Cost Scenario 1 (cont.)

- ✓ The school received its full share of local/state funds based on the LEA's methodology.
- ✓ The proposed budget item addresses the needs of Title I students.
- ✓ The cost adheres to the Uniform Grant Guidance, EDGAR, and the LEA policies.



# Allowable Cost Scenario 2

A school implementing a Title I schoolwide program paid for an English literacy software program last year using local funds. This year the school used Title III funds to pay for the English literacy software program.

- Is this supplanting? **Yes**
- Is this allowable? **No**



# Allowable Cost Scenario 2 (cont.)

This is supplanting, therefore not allowed.

- The funding source is Title III.
- The three supplement not supplant “tests” still apply to Title III.
- The software was funded with local funds in the previous year, therefore Title III funds can not be used to pay for the software this year.



# Allowable Cost Scenario 3

A Title I targeted assistance school provides reading intervention during the school day. The school uses Title I funds for identified Title I students and local funds for other participating students.

- Is this supplanting? **No**
- Is this allowable? **Yes**





# Allowable Cost Scenario 3 (cont.)

- ✓ The school received its full share of local/state funds based on the LEA's methodology.
- ✓ The proposed budget item addresses the needs of Title I students.
- ✓ The cost adheres to the Uniform Grant Guidance, EDGAR, and the LEA policies.



# Allowable Cost Scenario 4

An LEA implements a district-wide initiative to cover the costs of advanced placement exams for low-income students. The LEA uses Title I funds to pay the costs for students attending Title I schools and local funds to pay the cost for students attending non-Title I schools.

- Is this supplanting? **Yes**
- Is this allowable? **No**



# Allowable Cost Scenario 4 (cont.)

**This is supplanting, therefore not allowed.**

- **This is a district level expense.**
- **The three supplement not supplant “tests” still apply to district level expenses.**
- **The LEA cannot use local funds to provide a service to non-Title I students and Title I funds to provide the the same service to Title I students.**



# Allowable Cost Scenario 5

Wisconsin State law requires all districts to have a district reading specialist. The LEA uses Title I funds to pay this person's salary to meet the requirements of the state law.

- Is this supplanting? **Yes**
- Is this allowable? **No**



# Allowable Cost Scenario 5 (cont.)

**This is supplanting, therefore not allowed.**

- **This is a state requirement for a district level position.**
- **The three supplement not supplant “tests” still apply to district level expenses.**
- **If Title I funding did not exist, the LEA would still have to fund this position.**



# Allowable Cost Scenario 6

An LEA with all Title I schoolwide schools uses district level Title I funds to pay for a Director of Student Privacy. The central office position advises schools on student privacy issues and complaints.

- Is this supplanting? **No**
- Is this allowable? **No**



# Allowable Cost Scenario 6 (cont.)

This is not supplanting.

- ✓ The district level cost passed the three “tests.”

This is not allowed.

- The cost does not meet the intents and purposes of Title I, Part A. The [Uniform Grant Guidance](#) requires all costs to be allocable to the federal program.



# Allowable Cost Scenario 7

A school implementing a Title I targeted assistance program used Title I funds to provide services to meet a student's individualized educational program (IEP).

- Is this supplanting? **No**
- Is this allowable? **No**





# Allowable Cost Scenario 7 (cont.)

- ✓ The school received its full share of local/state funds based on the LEA's methodology.
- ✓ The proposed budget item addresses the needs of Title I students.

This is not allowed.

- The cost is prohibited by Title I, Part A, Sections 1114(a)(2)(B) and 1115 (c)(3). The [Uniform Grant Guidance](#) requires all costs to be allowable under the federal program.



# Allowable Cost Scenario 7 (cont.)

- IDEA requires that an LEA serving children with disabilities develop an IEP to ensure that the child with a disability receives a free appropriate public education. The IEP functions as a framework for the services the LEA is required to provide to each child to meet the requirements of IDEA.
- In the absence of Title I funds, it is presumed that the LEA would use other funds or it would be in violation of IDEA.
- An LEA could use TI funds to provide additional supplemental services to children with disabilities. It just needs to be above and beyond the IEP.



# Allowable Cost Scenario 8

A Title I targeted assistance school is taking all of it's fourth-grade students to the waterpark for a field trip and will use Title I funds to cover the costs of students receiving Title I services.

- Is this supplanting? **No**
- Is this allowable? **No**



# Allowable Cost Scenario 8 (cont.)

- ✓ The school received its full share of local/state funds based on the LEA's methodology.

This is not allowed.

- The cost is prohibited by the [Uniform Grant Guidance](#).



# Allowable Cost Scenario 9

A Title I targeted assistance school is implementing Academic Parent Teacher Teams (APTTs) for all grades. It will use Title I funds to cover the costs for parents of students receiving Title I services.

- Is this supplanting? **No**
- Is this allowable? **Yes**



# Allowable Cost Scenario 9 (cont.)

- ✓ The school received its full share of local/state funds based on the LEA's methodology.
- ✓ The proposed budget item addresses the needs of Title I students.
- ✓ The cost adheres to the Uniform Grant Guidance, EDGAR, and the LEA policies.



# Title I, Part A Fiscal Requirements

Three methods in ESSA to ensure Title I funds are used to support students at-risk of failing:

- Maintenance of Effort (MOE)
- Comparability
- Supplement not Supplant



# ESEA Maintenance of Effort

**Demonstrates that the district has maintained its fiscal effort by at least 90% over a two-year time period. MOE is based on actual expenditures for the entire district.**

**Required for all districts receiving funds under ESEA**





# Title I, Part A Supplement not Supplant

- Requires a methodology to demonstrate that Title I schools receive all of the state and local funds they would otherwise receive if they were not Title I schools.
- Required for all districts receiving Title I, Part A



# Title I, Part A Comparability

- **Requires districts to demonstrate that the amount of state and local funds Title I schools receive are comparable to non-Title I schools or other Title I schools within the same grade span**
  - Think of this as the outcome of the methodology required under Supplement not Supplant (SnS)
  - The SnS methodology must be comparable
- **Required for all districts receiving Title I, Part A and serving more than one school within the same grade span (many districts are exempt from this requirement)**



# Contacts

## **Title I Education Consultant Directory**

[dpi.wi.gov/title-i/consultant-directory](http://dpi.wi.gov/title-i/consultant-directory)

## **Title I Network Coordinators**

[dpi.wi.gov/title-i/network/contacts](http://dpi.wi.gov/title-i/network/contacts)



WISCONSIN DEPARTMENT OF  
**PUBLIC INSTRUCTION**  
Tony Evers, PhD, State Superintendent